

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 19, 2013

INTEGRA LIFESCIENCES HOLDINGS CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

0-26224
(Commission File Number)

51-0317849
(I.R.S. Employer Identification No.)

311 Enterprise Drive
Plainsboro, NJ 08536
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (609) 275-0500

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02. Departure of Directors of Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e)

BASE SALARY INCREASE FOR CHIEF EXECUTIVE OFFICER

On February 19, 2013, the Compensation Committee of the Board of Directors (the “Board”) of Integra LifeSciences Holdings Corporation (the “Company”) approved an annual base salary of \$810,000 effective April 1, 2013, for Peter J. Arduini, President and Chief Executive Officer to reflect his performance for 2012.

CASH BONUSES FOR CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

On February 19, 2013, the Compensation Committee of the Board of the Company approved the following cash discretionary bonuses for 2012 for Mr. Arduini and John B. Henneman, III, Corporate Vice President, Finance and Administration, and Chief Financial Officer, based on Company and individual performance for 2012, to be paid on March 15, 2013:

- Mr. Arduini - \$400,000
- Mr. Henneman - \$275,000

LETTER AGREEMENT WITH MR. ARDUINI

Pursuant to a letter agreement dated February 19, 2013 between Mr. Arduini and the Company (the “Letter Agreement”), commencing January 1, 2013, any annual equity award for 2012 for Mr. Arduini shall be allocated as follows:

- 20% of the denominated value of such annual equity award shall be in the form of contract stock/restricted units with annual vesting over three years and a deferral feature;
- 30% of the denominated value of such annual equity award shall be in the form of non-qualified stock options; and
- 50% of the denominated value of such annual equity award shall be in the form of performance stock with a deferral feature and other terms as determined by the Compensation Committee of the Board of the Company.

In addition, pursuant to the Letter Agreement, the amount of any bonus for 2012 for Mr. Arduini that exceeds \$400,000 shall be paid in the form of equity awards as follows:

- 50% of the denominated value shall be paid in the form of performance stock with a three year performance period; revenue growth goals and other terms as determined by the Compensation Committee of the Board; and
- 50% of the denominated value shall be paid in the form of restricted stock with annual vesting over three years.

Also, pursuant to the Letter Agreement, any future equity awards granted to Mr. Arduini will be in such form and contain such terms as the Compensation Committee shall determine.

The foregoing description of the Letter Agreement is qualified in its entirety by reference to a copy of such Letter Agreement which is attached as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated by reference herein.

APPROVAL OF EXECUTIVE OFFICER PERFORMANCE STOCK GRANT PROGRAM

On February 19, 2013, the Compensation Committee of the Board approved a performance stock grant program for executive officers of the Company, commencing with the 2013-2015 performance period. In addition, the Compensation Committee approved the form of Performance Stock Agreement (the “Performance Stock Agreement”) for such program where award opportunities will be based on specific performance metrics approved by the Compensation Committee for the specific performance period. For the 2013-2015 performance period, the Compensation Committee established goals based on revenue growth.

The foregoing description of the form of Performance Stock Agreement is qualified in its entirety by reference to a copy of such form of Performance Stock Agreement which is attached as Exhibit 10.2 to this Current Report on Form 8-K and incorporated by reference herein.

APPROVAL OF PERFORMANCE INCENTIVE COMPENSATION PLAN

On February 20, 2013, the Board of the Company adopted the Company's Performance Incentive Compensation Plan (the "Bonus Plan") under which participating employees of the Company will be eligible to receive incentive payments in cash based on the achievement of performance goals.

Under the Bonus Plan, the Compensation Committee of the Board will choose performance measures and determine the formula to use for determining awards. If the Bonus Plan is approved by the Company's stockholders at the Company's annual meeting of stockholders on May 22, 2013, it is intended that awards granted under the Bonus Plan to individuals subject to Section 162(m) of the Internal Revenue Code will qualify as performance-based compensation under Section 162(m).

The following is a summary of the principal features of the Bonus Plan. The summary does not purport to be a complete description of all the provisions of the Bonus Plan. The following summary is qualified in its entirety by reference to a copy of the Bonus Plan which is attached as Exhibit 10.3 to this Current Report on Form 8-K and is incorporated by reference herein.

Description of the Bonus Plan

Plan Administration. While the Compensation Committee administers the Bonus Plan, it may delegate administration to any officer except with respect to awards to executive officers and Section 162(m) "covered employees."

Eligibility. All United States employees of the Company are eligible for the payment of an award under the Bonus Plan as long as such employees are employed by the Company in an incentive-eligible position on or before September 30 for that particular performance period. The Compensation Committee shall determine the extent if any, to which non United States employees shall be eligible to participate in the Bonus Plan.

Amendment or Termination. The Board or the Compensation Committee may amend, modify, or terminate the Bonus Plan; provided that no amendment of the Bonus Plan or with respect to a bonus opportunity may be made that would constitute a modification of the material terms of a "performance goal" (as described in Treasury Regulation section 1.162-27(e)(2) or any successor thereto).

Performance Period. The first performance period for the Bonus Plan shall be the period between January 1, 2013 and December 31, 2013.

Target Incentive Pool. The target incentive pool will equal the sum of the individual target awards for all eligible participants under the Bonus Plan and will be funded through the achievement of performance goals. Through a formulaic process, the Compensation Committee will establish minimum threshold levels that must be achieved for each performance goal or for all performance goals for the performance period in order to fund the incentive pool.

Performance Goals. The Compensation Committee shall establish the specific measures for each goal to be used for purposes of determining the target incentive pool, within 90 days of the beginning of the performance period. In creating these measures, the Compensation Committee shall use one or more of the following performance criteria:

- Revenue;
- Profitability;
- Working capital;
- Return metrics;
- Stock-related metrics;
- Cash-related;
- Costs or expenses;
- Product-related metrics;
- Implementation or completion of critical projects;
- Market share;
- Asset turnover;
- Inventory turnover;
- Capacity utilization;
- Mergers and acquisition integration;
- Environmental, health and safety;
- Quality;
- Diversity;
- Customer-related metrics;
- Financial and other capital-raising transactions; and
- Employee-related metrics.

The actual incentive pool funding will be determined at the end of the performance period based on actual performance and will range from 0% to 150% of the target incentive pool. The overall bonus pool will be allocated to the various divisions or major corporate function of the Company based on performance against pre-established goals. Bonuses for participants assigned to the corporate function for bonus purposes will be funded by the allocation for the corporate function. Bonuses for executive officers intended to qualify under Section 162(m) will be determined by pre-established, objective formula, subject to negative discretion only for the final award amount.

Target Award. The amount that the participant could earn if the targeted level of performance was achieved is expressed as a percentage of the participant's base salary or a fixed value. In no event will the target award for any participant exceed 165% of base salary.

Earning an Award. A participant may earn an award for a performance period up to 150% of the target award based on the level of achievement of the performance goals established for that period and must be employed at the Company at the time of the award payment. An award may also be increased up to 100% (subject to Chief Executive Officer or designee approval) for a participant who is not an executive officer/Section 162(m) "covered employee" or decreased up to 100% in the case of any participant, based on the assessment of the individual participant's performance for the applicable performance period. No award to an executive officer/Section 162(m) "covered employee" may exceed 150% of the target award or may be increased above the level of actual performance. Participants hired between March 31st and September 30th will be eligible for a pro-rated target award.

Maximum Award. The maximum bonus award payable to any Participant under the Bonus Plan with respect to any calendar year is \$3,000,000.

Payment of Awards. The Compensation Committee shall review and certify in writing the incentive pool funding, individual performance goal achievement for all executive officers and "covered employees" and aggregate spend for all awards, prior to the payment of awards.

Cancellation/Recovery. All bonuses granted under the Bonus Plan shall be subject to the provisions of any clawback, repayment or recapture policy implemented by the Company.

Determining Awards for 2013 under the Bonus Plan

The Compensation Committee established the following target awards for the following named executive officers disclosed in last year's Proxy Statement:

- Peter J. Arduini – 110% of base salary
- John B. Henneman, III – 90% of base salary

NEO EBITDA Objective

The Company has established an EBITDA objective for 2013 for the named executive officers based on prior year earnings before interest, taxes, depreciation and amortization ("EBITDA") (non-adjusted EBITDA). Upon achievement of such EBITDA objective, the bonus pool for the named executive officers will be funded at the maximum bonus amount for each named executive officer at 150% of his/her respective target award. Thereafter, the Compensation Committee has the ability to exercise only negative discretion in order to determine the actual incentive cash payment for each named executive officer within the bonus plan based on (i) the achievement of key performance goals that are individual specific as well as (ii) the achievement of performance goals related to the Company, division or function of such named executive officer.

Objectives for Chief Executive Officer and Chief Financial Officer

The Compensation Committee has negative discretion to reduce target awards for the Chief Executive Officer and Chief Financial Officer for 2013 based on the following metrics:

- 65% weight on financial and quantitative measures including revenue, operating cash flow, adjusted EBITDA, gross margin improvement, and strategic plan objective
- 35% weight on qualitative measures including leadership objectives and strategic initiatives

Overall Incentive Pool Funding Model

An overview of the overall incentive pool funding model of the Bonus Plan for 2013 is shown below:

| Performance Metric | Weight | Below Threshold | THRESHOLD | TARGET | MAX |
|--|--------|-----------------|-----------|--------|------|
| REVENUE | 45% | 95.9% | 96% | 100% | 104% |
| ADJUSTED EBITDA | 35% | 92.9% | 93% | 100% | 107% |
| OPERATING CASH FLOW | 20% | 84.9% | 85% | 100% | 115% |
| Cash Incentive Pool Funding as % of Target | | 0% | 20% | 100% | 150% |

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

- 10.1 Letter Agreement dated February 19, 2013 between Peter J. Arduini and Integra LifeSciences Holdings Corporation
- 10.2 Form of Performance Stock Agreement (Executive Officers)
- 10.3 Performance Incentive Compensation Plan

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

INTEGRA LIFESCIENCES HOLDINGS CORPORATION

By: /s/ John B. Henneman, III

John B. Henneman, III

Title: Corporate Vice President,
Finance and Administration,
and Chief Financial Officer

Date: February 25, 2013

EXHIBIT INDEX

Exhibit No. Description

- 10.1 Letter Agreement dated February 19, 2013 between Peter J. Arduini and Integra LifeSciences Holdings Corporation
- 10.2 Form of Performance Stock Agreement (Executive Officers)
- 10.3 Performance Incentive Compensation Plan

February 19, 2013

Integra LifeSciences Holdings Corporation
311 Enterprise Drive
Plainsboro, NJ 08536
Attention: Board of Directors

Ladies and Gentlemen:

As we have discussed, notwithstanding any provision of the Amended and Restated Employment Agreement, dated as of December 20, 2011, between Integra LifeSciences Holdings Corporation (the “Company”) and me (the “Employment Agreement”) to the contrary, I hereby consent and agree to the following:

1. Any Annual Equity Award that the Company determines to grant me for 2012 shall be allocated as follows:

- (a) twenty percent (20%) of the denominated value of such Annual Equity Award shall be in the form of Contract Stock/Restricted Units with annual vesting over three years and deferral provisions consistent with the form of annual Contract Stock/Restricted Units Agreement attached to the Employment Agreement;
- (b) thirty percent (30%) of the denominated value of such Annual Equity Award shall be in the form of NQSOs ; and
- (c) fifty percent (50%) of the denominated value of such Annual Equity Award shall be in the form of performance stock with a deferral feature and other terms to be determined by the Compensation Committee of the Board of Directors of the Company, with performance goals consistent with the terms of the performance stock grants to be approved by the Compensation Committee for 2013 grants to Company executives.

2. Any Annual Equity award that the Company determines to grant me for 2013 and subsequent years may be in such form(s) and mix as the Compensation Committee shall determine in its discretion.

3. The amount of any bonus that the Company determines to pay me for 2012 in excess of \$400,000 shall be paid to me in the form of equity awards, as follows:

- (a) fifty percent (50%) of the denominated value shall be paid in the form of performance stock with a three-year performance period, revenue goals and other terms to be determined by the Compensation Committee, consistent with the terms of the performance stock grants to be approved by the Compensation Committee for 2013 grants to Company executives; and
- (b) fifty percent (50%) of the denominated value shall be paid in the form of restricted stock with annual vesting over three years.

4. If the Company determines to grant me equity awards in the future, my future equity award agreements will be in such form and contain such terms as the Compensation Committee shall determine.

5. I have read and consent to the terms of the Company's Performance Incentive Compensation Plan (the "Plan") and agree that, unless the Compensation Committee of the Board of Directors of the Company determines otherwise, my bonus opportunity for 2013 and future years will be subject to the terms of the Plan.

6. I agree that neither the foregoing nor any action taken by the Company in connection therewith will constitute a breach of, or Good Reason for purposes of, the Employment Agreement or any other agreement between me and the Company.

7. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Employment Agreement.

Very truly yours,

/s/ Peter J. Arduini

Peter J. Arduini

cc: Richard Gorelick, General Counsel

Acknowledged and Agreed:

Integra LifeSciences Holdings Corporation

By: _____ /s/ Stuart M. Essig _____

Stuart M. Essig

Chairman of the Board of Directors

PERFORMANCE STOCK AGREEMENT

THIS PERFORMANCE STOCK AGREEMENT (the “Award Agreement”), dated as of [_____, ____] the “Award Date”), is made by and between Integra LifeSciences Holdings Corporation, a Delaware corporation (the “Company”), and _____, an employee of the Company (or one or more of its Related Corporations or Affiliates), hereinafter referred to as the “Participant”:

WHEREAS, the Company has determined to grant to the Participant an award of Performance Stock (as defined below), on the terms set forth herein, under the Integra LifeSciences Holdings Corporation Second Amended and Restated 2003 Equity Incentive Plan, as amended (the “Plan”), the terms of which are hereby incorporated by reference and made part of this Award Agreement.

NOW, THEREFORE, in consideration of the various covenants herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I.

DEFINITIONS

Capitalized terms not otherwise defined below shall have the meaning set forth in the Plan. The masculine pronoun shall include the feminine and neuter, and the singular the plural, where the context so indicates.

Section 1.1 Annual Revenue. “Annual Revenue” shall mean the Company’s gross revenue with respect to an applicable fiscal year; provided that in the event the Company sells or otherwise disposes of any business unit or division in a fiscal year during the Performance Period, the Annual Revenue for such year and for any prior fiscal year(s) shall not include any revenue attributable to such business unit or division.

Section 1.2 [Catch-Up Performance Goal. “Catch-Up Performance Goal” shall mean the specific goal determined by the Committee, as specified in Exhibit A.]

Section 1.3 Chief Human Resources Officer. “Chief Human Resources Officer” shall mean the Chief Human Resources Officer of the Company.

Section 1.4 Performance Goals. “Performance Goals” shall mean the specific goal or goals determined by the Committee, as specified in Exhibit A.

Section 1.5 Performance Period. “Performance Period” shall mean the period of time that the Performance Goals must be met, as specified in Exhibit A.

Section 1.6 Performance Stock. “Performance Stock” shall mean up to _____ Shares that will be issued to the Participant under this Award Agreement if the Performance Goals are met during the Performance Period and the vesting conditions set forth herein are satisfied.

Section 1.7 Rule 16b-3. “Rule 16b-3” shall mean that certain Rule 16b-3 under the Exchange Act, as such Rule may be amended from time to time.

Section 1.8 Termination of Service. “Termination of Service” shall mean the time when the Participant ceases to provide services to the Company and its Related Corporations and Affiliates as an employee or Associate for any reason with or without cause, including, but not by way of limitation, a termination by resignation, discharge, death, or Disability. A Termination of Service shall not include a termination where the Participant is

simultaneously reemployed by, or remains employed by, or continues to provide services to, the Company and/or one or more of its Related Corporations and Affiliates or a successor entity thereto.

ARTICLE II.

AWARD OF PERFORMANCE STOCK

Section 2.1 Award of Performance Stock. As of the Award Date, the Company issues to the Participant the right to receive, at the time or times forth in Section 3.3 below, _____ Shares underlying the vested Performance Stock if the Performance Goals and the other vesting conditions set forth in this Award Agreement are met. If the Performance Goals and other vesting conditions are satisfied, the Company shall cause the vested Performance Stock to be issued in the name of the Participant (or his or her legal representative) as described under Section 3.3 of this Award Agreement.

Section 2.2 Forfeiture. The right to receive the Performance Stock shall be subject to forfeiture as provided in Section 3.2 of this Award Agreement.

Section 2.3 Dividend Equivalents. The Participant shall be entitled to receive, with respect to all Shares underlying outstanding vested but unissued Performance Stock, dividend equivalent amounts equal to the regular quarterly cash dividend paid or made with respect to the Shares underlying the vested and unpaid Performance Stock (to the extent regular quarterly cash dividends are paid). Such dividend equivalent amounts shall be aggregated and paid to the Participant within thirty (30) days following the applicable Performance Stock payment date, but in no event later than December 31 of the year in which the applicable Performance Stock payment date occurs. Notwithstanding the foregoing, if a "Change in Control" (as defined in the Employment Agreement) occurs prior to the date on which such dividend equivalent amounts are paid, such dividend equivalent amounts shall be paid to the Participant on the date of the Change in Control; *provided, however*, that such payment shall only occur if the Change in Control meets the requirements of Section 409A(a)(2)(A)(v) of the Internal Revenue Code of 1986, as amended (the "Code") and its corresponding regulations. For the avoidance of doubt, such dividend equivalent amounts shall only be paid to the extent that the Performance Stock is vested as of the applicable dividend payment date, and the Participant shall not be entitled to receive any dividend equivalent amounts with respect to Performance Stock that has not vested as of such dividend payment date. The dividend equivalents and any amounts that may become payable in respect thereof shall be treated separately from the Performance Stock and the rights arising in connection therewith for purposes of the designation of time and form of payments required by Code Section 409A.

Section 2.4 Voting Rights. Prior to the issuance of the Performance Stock, the Participant shall have no voting rights with respect to any Shares represented by the Performance Stock.

ARTICLE III.

RESTRICTIONS

Section 3.1 Vesting.

(a) Subject to paragraphs (b) and (c) below and to Section 3.2 hereof, the Performance Stock shall vest in cumulative installments as follows:

(i) In the event that the Company achieves the Performance Goal with respect to fiscal year [____], the Performance Stock shall vest with respect to thirty-three percent (33%) of the Shares covered

thereby on the later of (A) the first anniversary of the Award Date or (B) the date on which the Committee takes the action determining that the Company achieved the Performance Goal with respect to fiscal year [____];

(ii) In the event that the Company achieves the Performance Goal with respect to fiscal year [____], the Performance Stock shall vest with respect to thirty-three percent (33%) of the Shares covered thereby on the later of (A) the second anniversary of the Award Date or (B) the date on which the Committee takes the action determining that the Company achieved the Performance Goal with respect to fiscal year [____]; and

(iii) In the event that the Company achieves the Performance Goal with respect to fiscal year [____], the Performance Stock shall vest with respect to thirty-four percent (34%) of the Shares covered thereby on the later of (A) the third anniversary of the Award Date or (B) the date on which the Committee takes the action determining that the Company achieved the Performance Goal with respect to fiscal year [____].

Notwithstanding anything to the contrary contained herein, any action taken by the Committee with respect to the achievement of a Performance Goal for a fiscal year under this Section 3.1(a) shall occur no earlier than January 1 and no later than March 7 (or such later date in such year as the Committee may determine), in each case, of the year following the fiscal year to which the Performance Goal relates.

(b) Subject to Section 3.2 hereof, in the event that the Company achieves the Catch-Up Performance Goal with respect to the Performance Period, any Shares of Performance Stock that fail to vest in accordance with paragraph (a) above shall vest on the later of (i) the third anniversary of the Award Date or (ii) the date on which the Committee takes the action determining that the Company achieved, during the Performance Period, the Catch-Up Performance Goal. Any such action taken by the Committee shall occur no earlier than [_____] and no later than [_____] (or such later date in [_____] as the Committee may determine).

(c) Subject to Section 3.2 hereof, in the event that a "Change in Control" occurs during the Performance Period and the Participant incurs a Qualifying Termination (as hereinafter defined) on or within twelve (12) months following the date of such Change in Control, one hundred percent (100%) of the Shares covered by the then outstanding Performance Stock shall vest upon such Qualifying Termination.

Section 3.2 Effect of Termination of Service; Forfeiture.

(a) In the event the Participant incurs, prior to or on the last day of the Performance Period, a Termination of Service [(1) by the Company without "Cause", (2) by the Participant for "Good Reason",] ([1] [3]) by reason of the Participant's Disability or ([2] []) by reason of the Participant's death (each of (1) - ([2] []), a "Qualifying Termination"), the Performance Stock shall remain outstanding and eligible to vest in accordance with Section 3.1 above.

(b) Immediately upon the Participant's Termination of Service that is not a Qualifying Termination, the Participant shall automatically and without further action forfeit all Performance Stock (and all dividend equivalent rights with respect to such Performance Stock) which have not vested in accordance with Section 3.1 above on or prior to such Termination of Service, and the Participant shall have no further right to or interest in or with respect to such unvested Performance Stock (or such dividend equivalents).

(c) Any Performance Stock that fails to vest as of the later of (i) the third anniversary of the Award Date or (ii) such date in [_____] as the Committee makes its determination as to whether the Performance Goal or the

Catch-Up Performance Goal has been achieved in accordance with Section 3.1 above (and all dividend equivalent rights with respect to such Performance Stock) shall automatically and without further action be cancelled and forfeited, and the Participant shall have no further right to or interest in or with respect to such unvested Performance Stock (or such dividend equivalents).

Section 3.3 Issuance of Shares.

(a) Subject to a determination of the Committee that the applicable Performance Goals have been met, Shares represented by Performance Stock which vests pursuant to Section 3.1 above shall be issued to the Participant or his legal representative on or within five (5) business days following the date on which such Performance Stock vests pursuant to Section 3.1 (but in no event later than December 31 of the applicable year in which such Performance Stock vests) or, in the event of vesting upon a Change in Control pursuant to Section 3.1(c), such shares shall be issued effective upon the occurrence of such Change in Control.

(b) All Shares issued hereunder shall be issued in certificated form or shall be recorded with the Company's transfer agent. All such Shares shall be issued free from any restrictions; *provided, however*, that such Shares shall be subject to any restrictions and conditions as may be required pursuant to Section 4.6 of this Award Agreement and those that the Company imposes on its employees in general with respect to selling its Shares. Notwithstanding the foregoing, the Company shall not be required to issue or record such Shares in the name of the Participant or his legal representative unless the Participant or his legal representative shall have satisfied the full amount of all federal, state and local withholding or other employment taxes applicable to the taxable income of the Participant resulting from the vesting and/or issuance of the Shares as provided in this Award Agreement (including, without limitation, in the manner set forth in Section 4.3 hereof).

Section 3.4 Clawback. Notwithstanding anything contained in the Plan or the Award Agreement to the contrary, the Performance Stock, and any related payments, shall be subject to the provisions of any clawback, repayment or recapture policy implemented by the Company, including any such policy adopted to comply with applicable law (including without limitation the Dodd-Frank Wall Street Reform and Consumer Protection Act) or securities exchange listing standards and any rules or regulations promulgated thereunder, to the extent set forth in such policy and/or in any notice or agreement relating to the Performance Stock under the Plan.

ARTICLE IV

MISCELLANEOUS

Section 4.1 No Additional Rights. Nothing in this Award Agreement or in the Plan shall confer upon any person any right to a position as an Associate or continued employment by the Company or any of its Related Corporations or Affiliates or affect in any way the right of any of the foregoing to terminate the services of an individual at any time.

Section 4.2 Anti-Assignment. The Participant shall have no right to sell, assign, transfer, pledge, or otherwise encumber or dispose of the Participant's right to receive the Performance Stock.

Section 4.3 Tax Withholding. In satisfaction of all applicable requirements with respect to amounts required by federal, state or local tax law to be withheld with respect to the vesting, distribution or payment of the Performance Stock, the Company shall withhold Shares otherwise issuable upon such distribution or payment of the Performance Stock having a Fair Market Value equal to the sums required to be withheld. Subject to the following

sentence, the number of Shares which shall be so withheld in order to satisfy the Participant's federal, state and local withholding tax liabilities with respect to the vesting of the Performance Stock or issuance of Shares in payment of the Performance Stock shall be limited to the number of Shares which have a Fair Market Value on the date of issuance equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for federal, state and local tax purposes that are applicable to, and required in connection with, all or a portion of such supplemental taxable income. In the event that the number of Shares having a Fair Market Value equal to the sums required to be withheld is not a whole number of Shares, the number of Shares so withheld shall be rounded up to the nearest whole share.

Section 4.4 Notices. Any notice to be given under the terms of this Award Agreement to the Company shall be addressed to the Company in care of its Chief Human Resources Officer, and any notice to be given to the Participant shall be addressed to the Participant at his or her address of record maintained by the Human Resources Department. By a notice given pursuant to this Section 4.4, either party may hereafter designate a different address for notices to be given to it or him. Any notice which is required to be given to the Participant shall, if the Participant is then deceased, be given to the Participant's personal representative if such representative has previously informed the Company of his status and address by written notice under this Section 4.4. Any notice shall have been deemed duly given when enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

Section 4.5 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement.

Section 4.6 Conformity to Securities Laws. This Award Agreement is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, including without limitation Rule 16b-3. Notwithstanding anything herein to the contrary, this Award Agreement shall be administered, and the Performance Stock shall be issued, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, this Award Agreement and the Performance Stock issued hereunder shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

Section 4.7 Amendment. This Award Agreement may be amended only by a writing executed by the parties hereto which specifically states that it is amending this Award Agreement.

Section 4.8 Governing Law. The laws of the State of Delaware shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Award Agreement regardless of the law that might be applied under principles of conflicts of laws.

Section 4.9 Section 409A. This Award Agreement shall be interpreted in accordance with the requirements of Section 409A of the Code. Notwithstanding any provision in this Award Agreement to the contrary, if a payment is deemed to be deferred compensation subject to the requirements of Section 409A of the Code, such payment may only be made under this Award Agreement upon an event and in a manner permitted by Section 409A of the Code. If a payment is not made by the designated payment date under this Award Agreement, the payment shall be made by December 31 of the calendar year in which the designated date occurs. In no event may the Participant, directly or indirectly, designate the calendar year of payment. Notwithstanding anything to the contrary in this Award Agreement, no amounts payable to the Participant under this Award Agreement shall be paid to the Participant prior to the expiration of the 6-month period following the Participant's "separation from service" (within the meaning of Section 409A of the Code) if the Company determines that paying such amounts at the time or times indicated in this Award Agreement would be a prohibited distribution under Section 409A(a)(2)(b)

(i) of the Code. If the payment of any such amounts is delayed as a result of the previous sentence, then on the first day following the end of such 6-month period, the Company shall pay the Participant a lump-sum amount equal to the cumulative amount that would have otherwise been payable to the Participant during such 6-month period.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Performance Stock Agreement as of the date first above written.

INTEGRA LIFESCIENCES HOLDINGS CORPORATION

By: _____

Name: Peter J. Arduini

Title: President and Chief Executive Officer

PARTICIPANT

[]

EXHIBIT A

PERFORMANCE GOALS AND PERFORMANCE PERIOD

The "Performance Period" shall be the [] period beginning [] and ending [].

With respect to each fiscal year in the Performance Period, the "Performance Goal" is that the

[]

[]

Integra LifeSciences Holdings Corporation Incentive Compensation Plan

Article I Establishment, Purpose, and Effective Date

This Integra LifeSciences Holdings Corporation Incentive Compensation Plan (the “Plan”) is established by Integra LifeSciences Holdings Corporation, a Delaware corporation (“Integra”), for the purpose of enhancing the ability of Integra to offer incentive compensation to eligible employees by rewarding the achievement of corporate goals, division and major corporate function goals, individual performance which is consistent with and supportive of the overall corporate objectives of Integra. More specifically, through this Plan, Integra intends to (i) reinforce strategically important financial and operational objectives; (ii) provide rewards based on achieving significant corporate, departmental or division and individual goals and objectives; (iii) provide incentives that result in behavior that is consistent with increasing stockholder value and the success of Integra; and (iv) incorporate an incentive program in the Integra overall compensation program to help attract, retain, and motivate key employees. The Plan is a plan for employees of Integra and its subsidiaries for Performance Periods beginning on or after January 1, 2013 (the “Effective Date”).

It is Integra’s intent that bonuses paid under this Plan may be, but shall not be required to be, designed to be deductible without limit under Section 162(m) of the Internal Revenue Code of 1986, as amended, and the regulations and interpretations promulgated thereunder (collectively, the “Code”).

Article II Definitions

- 2.1 **Board.** “Board” shall mean the Board of Directors of Integra.
- 2.2 **Bonus.** “Bonus” shall mean a cash payment under this Plan.
- 2.3 **Bonus Opportunity.** “Bonus Opportunity” shall mean the opportunity to receive a Bonus, subject to all applicable terms and conditions.
- 2.4 **Business Criteria.** “Business Criteria” shall mean the Business Criteria set forth in Section 3.1(e) hereof on which the Performance Objectives may be based.
- 2.5 **Change in Control.** “Change in Control” shall mean the occurrence of any of the following:

(a) An acquisition (other than directly from Integra) of any voting securities of Integra (“Voting Securities”) by any “Person” (as such term is used for purposes of Section 13(d) or 14(d) of the Exchange Act) immediately after which such Person has “Beneficial Ownership” (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50 percent or more of the combined voting power of all the then outstanding Voting Securities, other than Integra, any trustee or other fiduciary holding securities under any employee benefit plan of Integra or an affiliate thereof, or any corporation owned, directly or indirectly, by the stockholders of Integra in substantially the same proportions as their ownership of stock of Integra; provided, however, that any acquisition from Integra or any acquisition pursuant to a transaction which complies with paragraph (c)(i) and (ii) below shall not be a Change in Control under this paragraph (a);

(b) The individuals who, as of February 20, 2013, are members of the Board (the “Incumbent Board”) cease for any reason to constitute at least two-thirds of the Board; provided, however, that if the election, or nomination for election by the stockholders, of any new director was approved by a vote of at least two-thirds of the members of the Board who constitute Incumbent Board members, such new directors shall for all purposes be considered as members of the Incumbent Board as of February 20, 2013, provided further, however, that no individual shall be considered a member of the Incumbent Board if such individual initially assumed office as a result of either an actual or threatened “Election Contest” (as described in Rule 14a-11 promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors (a “Proxy Contest”) including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest;

(c) Consummation by Integra of a reorganization, merger, or consolidation or sale or other disposition of all or substantially all of the assets of Integra or the acquisition of assets or stock of another entity (a “Business Combination”), unless immediately following such Business Combination: (i) more than 50 percent of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of (A) the corporation resulting from such Business Combination (the “Surviving Corporation”), or (B) if applicable, a corporation which as a result of such transaction owns Integra or all or substantially all of Integra’s assets either directly or through one or more subsidiaries (the “Parent Corporation”), is represented, directly or indirectly, by Integra Voting Securities outstanding immediately prior to such Business Combination (or, if applicable, is represented by shares into which such Voting Securities were converted pursuant to such Business Combination), and such voting power among the holders thereof is in substantially the same proportions as their ownership, immediately prior to such Business Combination, of Integra Voting Securities; and (ii) at least a majority of the members of the board of directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation) were members of the Incumbent Board at the time of the execution of the initial agreement, or the action of the Board, providing for such Business Combination;

(d) The approval by the stockholders of Integra of a complete liquidation or dissolution of Integra; or

(e) Acceptance by the stockholders of Integra of shares in a share exchange if the stockholders of Integra immediately before such share exchange do not own, directly or indirectly, immediately following such share exchange more than 50 percent of the combined voting power of the outstanding Voting Securities of the corporation resulting from such share exchange in substantially the same proportion as their ownership of the Voting Securities outstanding immediately before such share exchange.

Notwithstanding the foregoing, if a Change in Control constitutes a payment event with respect to any Bonus Opportunity which provides for the deferral of compensation and is subject to Code Section 409A, the transaction or event described in this Section 2.5 with respect to such Bonus Opportunity must also constitute a “change in control event,” as defined in Treasury Regulation § 1.409A-3(i)(5) to the extent required by Code Section 409A.

2.6 Company. “Company” shall mean Integra and its subsidiaries.

2.7 Covered Employee. “Covered Employee” shall mean any employee of the Company who is, or could become, a “covered employee” within the meaning of Code Section 162(m).

2.8 Eligible Employee. “Eligible Employee” shall mean an employee of the Company.

2.9 Exchange Act. “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

2.10 Outside Director. “Outside Director” shall have the meaning set forth in the regulations and rulings promulgated under Code Section 162(m).

2.11 Participant. “Participant” shall mean an Eligible Employee who has been selected to participate in the Plan by the Committee pursuant to Section 3.1(a) hereof. Unless otherwise determined by the Committee, each Eligible Employee located in the United States shall be a Participant. Pursuant to Section 3.1(d), the Committee may determine the extent, if any, to which Eligible Employees employed by the Company outside the United States shall be eligible to participate in the Plan for a given Performance Period.

2.12 Performance Period. “Performance Period” shall mean a period for which Bonus Opportunities may be awarded. The first Performance Period under the Plan shall begin on January 1, 2013 and end on December 31, 2013.

2.13 QPBC. “QPBC” shall mean “qualified performance-based compensation” within the meaning set forth in the regulations and rulings promulgated under Code Section 162(m).

2.14 Target Bonus. “Target Bonus” shall mean the target amount, expressed as a percentage of a Participant’s base salary or a fixed value, that the Participant may earn as a Bonus for an applicable Performance Period, provided that the target level of performance is achieved with respect to each Performance Objective applicable to the Participant for such Performance Period, and subject to funding. Notwithstanding the foregoing, in no event shall a Participant’s Target Bonus exceed 165% of his or her base salary as in effect as of the final day of the applicable Performance Period.

Article III Eligibility and Benefits

3.1 Eligible Employees; Performance Objectives.

(a) Subject to this Section 3.1, the Committee shall determine which Eligible Employees shall be Participants in the Plan for a given Performance Period.

(b) Subject to the approval by the Committee, all Eligible Employees employed by the Company in the United States in a Bonus Level 1 or above position, as of January 1 of a Performance Period, shall be eligible to be selected to participate in the Plan for such Performance Period. In addition, Eligible Employees who are newly hired to a Bonus Level 1 or above position in the United States after January 1 of a Performance Period, but prior to October 1 of such Performance Period, will, subject to the approval of the Committee, be eligible to participate in the Plan for such Performance Period. Any Eligible Employee employed in the United States who is either (i) promoted to a Bonus Level 1 or above position or (ii) a participant in the Plan but is promoted to a higher Bonus Level position, in either case after January 1 of a Performance Period, but prior to October 1 of such Performance Period, will, subject to the approval of the Committee, be eligible to participate in the Plan for the remaining portion of the Performance Period after the promotion.

(c) An Eligible Employee who is hired into a Bonus Level 1 or above position in the United States on or after October 1 of a Performance Period shall not be eligible to participate in the Plan for such Performance Period. An Eligible Employee who is not participating in the Plan for a Performance Period and is subsequently promoted to a Bonus Level 1 or above position in the United States on or after October 1 of a Performance Period shall also not be eligible to participate in the Plan. An Eligible Employee who is participating in the Plan for a Performance Period and is subsequently promoted to a higher position on or after October 1 of a Performance Period shall continue at the participation level for the Performance Period prior to the promotion. Except as otherwise

provided in this Plan, any individual participating in the Plan during a Performance Period who ceases to be an Employee during such Performance Period shall cease to be eligible to participate in the Plan.

(d) The Committee shall determine the extent, if any, to which Eligible Employees employed by the Company outside the United States shall be eligible to participate in the Plan for a given Performance Period.

(e) Each Bonus Opportunity shall be subject to such terms and conditions as the Committee shall establish, which shall include the amount of the Bonus to be paid based upon the attainment of one or more performance objectives (each, a "Performance Objective"). For any Bonus that is intended to be QPBC, each Performance Objective under the corresponding Bonus Opportunity shall be based on one or more of the following business criteria (the "Business Criteria") with respect to (i) Integra, (ii) Integra's worldwide operations, regional operations, country specific operations and/or subsidiaries, business units, affiliates, corporations, divisions, groups, functions or employees and/or (iii) Integra's brands, groups of brands or specific brands: revenue; gross or net revenue; revenue growth; gross or net sales; profitability; gross or net profit; profitability growth; earnings before interest, taxes, depreciation and amortization; adjusted earnings before interest, taxes, depreciation and amortization; net income or adjusted net income; pre-tax income; operating profit; cost improvements; operating earnings; working capital; return on assets; return on net assets; return on equity; return on capital; economic value or economic value added; return on sales; earnings per share; adjusted earnings per share; stock price appreciation; total stockholder return; price per share; cash flow; free cash flow; operating cash flow; year-end cash; costs or expenses; regulatory body approval for commercialization of a product; research and development achievements; implementation or completion of critical projects; market share; asset turnover; inventory turnover; capacity utilization; mergers and acquisition integration; environmental health and safety; quality; diversity; customer retention; sales-related goals; customer satisfaction and/or growth; increase in customer base; financial and other capital-raising transactions; employee satisfaction; and recruiting and maintaining personnel, any of which may be measured either in absolute terms or as compared to any incremental increase or decrease or as compared to results of other companies or to market performance indicators or indices. For any Bonus that is not intended to be QPBC, the Performance Objectives under the corresponding Bonus Opportunity may be based upon any of the foregoing Business Criteria and/or upon other standards, including without limitation individual performance goals and personal contributions to the Company's business.

3.2 Determination of Bonus Opportunity. Subject to the terms of the Plan (including the provisions applicable to QPBC set forth in Sections 4.4 and 4.5 hereof), the Committee shall have authority to determine the amount of the Bonus Opportunity granted to each Participant, including threshold, target and maximum amounts.

3.3 Determination of Bonus Amounts. Subject to Section 3.2 above, the Committee may, in the case of a Participant who is not an executive officer of the Company or a Covered Employee, increase the amount of any Bonus that is not intended to be QPBC by up to 100% of the amount that would otherwise be paid based upon the established terms of the Bonus Opportunity and, in the case of any Participant, may reduce the amount of any Bonus by up to 100%, in each case based on the Committee's assessment of the individual Participant's performance for the applicable Performance Period. Notwithstanding the foregoing, in no event shall the amount of a Bonus for an executive officer exceed 150% of such executive officer's Target Bonus.

3.4 Maximum Bonus. The maximum Bonus payable to any Participant under the Plan with respect to any calendar year shall be \$3,000,000.

Article IV
Section 162(m) Bonuses

4.1 QPBC. The Committee, in its discretion, may determine whether any Bonus is intended to be QPBC, and may take such actions which it may deem necessary to ensure that such Bonus will so qualify. The Committee, in its sole discretion, may grant Bonus Opportunities to Eligible Employees that are based on Business Criteria but that do not satisfy the requirements of this Article IV and that are not intended to qualify as QPBC.

4.2 Performance Objectives. With respect to any Bonus that the Committee determines should be QPBC:

(a) the Performance Objectives shall be established in writing by the Committee not later than 90 days after the commencement of the applicable Performance Period or any designated fiscal period or period of service (or such earlier time as may be required under Code Section 162(m)) to which the Performance Objectives relate, provided that the outcome is substantially uncertain at the time the Committee actually establishes the performance targets; provided, further, that in no event shall the Performance Objectives be established after 25% of the period of service (as scheduled in good faith at the time the Performance Objectives are established) has elapsed; and

(b) within the period described in Section 4.2(a) above, the Committee shall, in writing, (i) designate the Participants to whom such Bonus Opportunity is awarded, (ii) select the Business Criteria applicable to the Performance Period, (iii) establish the Performance Objectives for the applicable Business Criteria, and the Bonus Opportunity for such Performance Period based on the Business Criteria and (iv) specify the relationship between Business Criteria and the Performance Objectives and the amounts of the Bonus to be earned by each Covered Employee for such Performance Period; and

(c) before the Bonus is paid to the applicable Participant, the Committee must certify in writing (which may take the form of a certification in minutes of the Committee or a resolution) that the Performance Objectives and any other material terms were satisfied; and

(d) the Performance Objectives must be based on an objective formula or standard.

4.3 Compliance with Code Section 162(m). Performance Objectives relating to a Bonus intended to be QPBC shall be drafted and implemented in a manner consistent with Code Section 162(m). Furthermore, notwithstanding any other provision of the Plan, Bonuses that are intended to be QPBC shall be subject to any additional limitations set forth in Code Section 162(m) or any regulations or rulings promulgated thereunder that are requirements for qualification as QPBC, and the Plan shall be deemed amended to the extent necessary to conform to such requirements. With respect to any Bonus intended to be QPBC, the provisions of this Article IV shall control over any contrary provision contained in the Plan.

4.4 Payment of QPBC. Unless otherwise provided by the Committee and only to the extent otherwise permitted by Code Section 162(m), with respect to each Bonus that is intended to qualify as QPBC, (a) the Participant must be employed by the Company throughout the Performance Period and (b) the Participant shall be eligible to receive payment of the Bonus for the Performance Period only if and to the extent that the Performance Objectives for such period are achieved, contingent on funding.

4.5 Limited Discretion. Once a Bonus Opportunity is established pursuant to Section 4.2 hereof for a Bonus that is intended to be QPBC, the Committee shall not have any discretion to increase it based upon the established terms of the Bonus Opportunity or to modify the applicable Performance Objectives (other than pursuant to automatic objectively determinable adjustments established at the time the Performance Objectives were established), to the extent the existence or exercise of such discretion is inconsistent with the requirements for QPBC. In determining the amount of any Bonus that is intended to be QPBC, the Committee shall have the right to reduce (but not to increase) the amount of the Bonus that is derived solely based on the attainment of the applicable Performance Objectives, to take into account additional factors that the Committee may deem relevant to the assessment of individual or corporate performance.

4.6 Stockholder Approval. Notwithstanding any provision in the Plan to the contrary, no Bonuses intended to be QPBC shall be paid under the Plan unless and until the stockholders of Integra approve the Plan and the Business Criteria as required by Code Section 162(m). So long as the Plan shall not have been previously terminated by Integra, to the extent Integra determines that the Bonus relating to any Bonus Opportunity established under the Plan more than five years after Integra stockholders' initial approval of the Plan shall continue to be intended to be QPBC, the Plan and the Business Criteria shall be resubmitted for approval of the stockholders of Integra no later than the fifth year after it shall have first been approved by the stockholders of Integra and every fifth year thereafter.

Article V

Payment of Benefits

5.1 Form of Payment. Bonuses under the Plan may be paid in cash or its equivalent, as determined by the Committee in its sole discretion.

5.2 Designation of Beneficiary. In the event of the death of a Participant after the completion of a Performance Period for a Bonus but before the Bonus is paid, the Bonus (if any) shall be paid to the Participant's surviving spouse or, if the Participant does not have a surviving spouse, to the Participant's estate.

5.3 Payees under Legal Disability. If the Committee reasonably believes that any payee is legally incapable of giving a valid receipt and discharge for any payment due him or her, the Committee may have the payment (if any) made to the person (or persons or institution) whom it reasonably believes is caring for or supporting such payee. Any such payment shall be a payment for the benefit of the payee and shall be a complete discharge of any liability under the Plan to the payee.

5.4 Payment of Bonuses.

(a) Unless otherwise directed by the Committee, each Bonus shall be paid no later than the fifteenth day of the third month following the end of the calendar year in which the Bonus is no longer subject to a "substantial risk of forfeiture" (within the meaning of Code Section 409A).

(b) Subject to Section 5.2 hereof, unless otherwise specifically determined by the Committee or otherwise provided for in an employment or severance agreement with Integra, a Participant shall be eligible for payment of a Bonus under the Plan only if the Participant is an active employee of Integra on the date of payment; provided, however, that for a Participant who is on a leave of absence on the date of payment, Integra's Chief Human Resources Officer or his or her delegate shall have the discretion to determine the requirements for such

Participant's return to active employee status in order to be eligible to receive the payment and the timing of such payment, but in no event shall such payment be made later than the last date permitted for such payment under Section 5.4(a) hereof.

(c) All payments under the Plan shall be directly deposited into the Participant's designated payroll deposit account, delivered in person or mailed to the last address of the Participant (or, in the case of the death of the Participant, to that of his or her surviving spouse or, if there is no surviving spouse, to the address of his or her estate). Each Participant shall be responsible for furnishing Integra with his or her current address and the address of his or her spouse, if any.

5.5 No Entitlement to Bonuses. Nothing contained in the Plan shall confer upon any person any claim or right to a Bonus with respect to any year or Performance Period, and whether the Company pays a Participant a Bonus and the amount of any such Bonus shall be determined by the Company in its sole and absolute discretion, subject to the terms and conditions of the Plan.

Article VI Plan Administration

6.1 Committee. Authority to administer the Plan shall be vested in a committee (the "Committee") designated by the Board, consisting of at least two members, all of whom are Outside Directors; provided, that any action taken by the Committee shall be valid and effective, whether or not members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership set forth in this Section 6.1 or otherwise provided in any charter of the Committee. As of the Effective Date, the Compensation Committee of the Board shall serve as the Committee.

6.2 Administrative Powers. The Committee shall have all powers necessary to administer the Plan. In addition to any powers and authority conferred on the Committee elsewhere in the Plan or by law, the Committee shall have the following powers and discretionary authority:

- (a) To designate agents to carry out responsibilities relating to the Plan;
- (b) To administer, interpret, and answer all questions which may arise under this Plan;
- (c) To establish rules and procedures for the conduct of its business and for the administration of the Plan;
- (d) To select and engage consultants, accountants, attorneys or other professionals or experts to render service or advice with regard to any responsibility the Committee has under the Plan, and (with Integra, its Board and its officers) to rely upon the advice or opinions of any such persons, to the extent permitted by law, being fully protected in acting and relying thereon in good faith; and
- (e) To perform or cause to be performed such further acts as it may deem necessary or appropriate in the administration of the Plan.

All determinations and actions by the Committee relating to the Plan will be binding upon all parties, to the maximum extent permitted by law.

6.3 Delegation of Authority. To the extent permitted by applicable law, the Board or the Committee may from time to time delegate to a committee of one or more members of the Board or one or more officers of Integra the authority to grant or amend Bonuses or Bonus Opportunities, or to take other administrative actions pursuant to this Article 6; provided, however, that in no event shall an officer of Integra be delegated the authority to grant Bonuses to, or amend Bonus Opportunities held by, the following individuals: (a) individuals who are subject to Section 16 of the Exchange Act, (b) Covered Employees with respect to Bonuses intended to constitute QPBC, or (c) officers of Integra to whom authority has been delegated hereunder; provided further, that any delegation of administrative authority shall only be permitted to the extent it is permissible under Code Section 162(m) and other applicable law. Any delegation hereunder shall be subject to the restrictions and limits that the Board or Committee specifies at the time of such delegation, and the Board may at any time rescind the authority so delegated or appoint a new delegatee. At all times, the delegatee appointed under this Section 6.3 shall serve in such capacity at the pleasure of the Board and the Committee.

6.4 Indemnification.

(a) To the maximum extent permitted by law, Integra shall indemnify each member of the Committee and of the Board against expenses (including any amount paid in settlement) reasonably incurred by him or her in connection with any claims against him or her by reason of the performance of his or her duties under the Plan. This indemnity shall not apply if the individual:

- (i) Acted fraudulently or in bad faith in the performance of his or her duties; or
- (ii) Fails to assist Integra in defending against the claim.

(b) Integra shall have the right to select counsel and to control the prosecution or defense of the suit.

(c) Integra shall not be required to indemnify any person for any amount incurred through settlement of any action unless Integra consents in writing to the settlement.

Article VII
Miscellaneous Matters

7.1 Amendment and Termination. Integra reserves the right to amend, modify, or terminate the Plan at any time by action of the Board or the Committee. Notwithstanding the foregoing, no amendment of the Plan or with respect to a Bonus Opportunity may be made that would constitute a modification of the material terms of a “performance goal” (as described in Treasury Regulation section 1.162-27(e)(2) or any successor thereto).

7.2 Clawback. Notwithstanding anything contained in the Plan to the contrary, to the extent allowed under applicable law or regulatory filings or unless otherwise determined by the Committee, all Bonuses granted under the Plan, and any related payments made under the Plan, shall be subject to the provisions of any clawback, repayment or recapture policy implemented by Integra, including any such policy adopted to comply with applicable law (including without limitation the Dodd-Frank Wall Street Reform and Consumer Protection Act) or securities exchange listing standards and any rules or regulations promulgated thereunder, to the extent set forth in such policy and/or in any notice or agreement relating to a Bonus or payment under the Plan.

7.3 **Benefits Not Alienable.** Benefits under the Plan may not be assigned or alienated, whether voluntarily or involuntarily.

7.4 **No Enlargement of Employee Rights.** Nothing contained in the Plan shall be deemed to give a participant the right to be retained in the employ of the Company or to interfere with the right of the Company to discharge any Participant at any time.

7.5 **Governing Law.** The Plan shall be governed by, and construed in accordance with, the laws of the State of Delaware.

7.6 **Code Section 409A.** Integra intends that the Bonuses under the Plan shall be exempt from Code Section 409A as short-term deferrals and shall not constitute “deferred compensation” within the meaning of Code Section 409A. The Plan shall be interpreted, construed and administered in accordance with the foregoing intent, so as to avoid the imposition of taxes and penalties on Participants pursuant to Code Section 409A. Integra shall have no liability to any Participant, any Participant’s spouse or otherwise if the Plan or any amounts paid or payable hereunder are subject to the additional tax and penalties under Code Section 409A.

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